

REFERENCE TITLE: school facilities; revisions

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

## **SB 1438**

Introduced by  
Senator Leach

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-119; REPEALING SECTION 15-189, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-342, 15-491, 15-2002 AND 35-454, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FACILITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 1, article 1, Arizona Revised  
3 Statutes, is amended by adding section 15-119, to read:

4 15-119. Vacant and low capacity facilities: management:  
5 flexibility; updates

6 A. THE SCHOOL FACILITIES BOARD, IN CONJUNCTION WITH THE DEPARTMENT  
7 OF ADMINISTRATION, SHALL ANNUALLY PUBLISH A LIST OF VACANT AND PARTIALLY  
8 USED BUILDINGS THAT ARE OWNED BY THIS STATE OR BY SCHOOL DISTRICTS IN THIS  
9 STATE AND THAT MAY BE SUITABLE FOR THE OPERATION OF A SCHOOL, INCLUDING  
10 BUILDINGS WHERE THE USE IS FIFTY PERCENT OR LESS OF THE BUILDING'S  
11 POTENTIAL CAPACITY ACCORDING TO THE STANDARDS ADOPTED BY THE SCHOOL  
12 FACILITIES BOARD. THE SCHOOL FACILITIES BOARD SHALL MAKE THE LIST  
13 PUBLICLY AVAILABLE ON THE WEBSITE OF THE SCHOOL FACILITIES BOARD AND ON  
14 REQUEST TO APPLICANTS FOR CHARTER SCHOOLS, TO APPLICANTS APPLYING TO THE  
15 SCHOOL FACILITIES BOARD FOR ADDITIONAL SPACE AND TO EXISTING DISTRICT AND  
16 CHARTER SCHOOLS. THE LIST SHALL INCLUDE THE ADDRESS OF EACH BUILDING, A  
17 SHORT DESCRIPTION OF THE BUILDING, THE NAME OF THE OWNER OF THE BUILDING  
18 AND ANY OTHER PERTINENT INFORMATION RELATED TO THE VACANCY AND CAPACITY OF  
19 THE BUILDING. THE SCHOOL FACILITIES BOARD SHALL ANNUALLY SUBMIT THE LIST  
20 TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE  
21 OF REPRESENTATIVES AND PROVIDE A COPY OF THE LIST TO THE SECRETARY OF  
22 STATE AND THE STATE BOARD FOR CHARTER SCHOOLS.

23 B. IF A SCHOOL DISTRICT DECIDES TO SELL OR LEASE A VACANT AND  
24 UNUSED BUILDING, A PARTIALLY USED BUILDING OR A VACANT AND UNUSED PORTION  
25 OF A BUILDING, THE SCHOOL DISTRICT MAY NOT PROHIBIT A CHARTER SCHOOL OR A  
26 PRIVATE SCHOOL FROM NEGOTIATING TO BUY OR LEASE THE PROPERTY IN THE SAME  
27 MANNER AS OTHER POTENTIAL BUYERS OR LESSEES. A SCHOOL DISTRICT SHALL  
28 ATTEMPT TO OBTAIN THE HIGHEST POSSIBLE VALUE UNDER CURRENT MARKET  
29 CONDITIONS FOR THE SALE OR LEASE OF THE VACANT AND UNUSED BUILDING OR THE  
30 VACANT AND UNUSED PORTION OF A BUILDING AND MAY NOT ACCEPT AN OFFER FROM A  
31 POTENTIAL BUYER OR LESSEE THAT IS LESS THAN AN OFFER FROM A CHARTER SCHOOL  
32 OR PRIVATE SCHOOL. THIS SECTION DOES NOT REQUIRE THE OWNER OF A BUILDING  
33 ON THE LIST TO SELL OR LEASE THE BUILDING OR A PORTION OF THE BUILDING TO  
34 A CHARTER SCHOOL, TO ANY OTHER SCHOOL OR TO ANY OTHER PROSPECTIVE BUYER OR  
35 TENANT, EXCEPT THAT THE OWNER OF A BUILDING ON THE LIST MAY NOT WITHDRAW  
36 THE PROPERTY FROM SALE OR LEASE SOLELY BECAUSE A CHARTER SCHOOL OR PRIVATE  
37 SCHOOL IS THE HIGHEST BIDDER. THIS SECTION DOES NOT ALLOW THE OWNER OF A  
38 BUILDING TO RAISE THE LEASE PAYMENT FOR AN EXISTING TENANT THAT IS A  
39 PUBLIC SCHOOL OR THAT IS PROVIDING SERVICES TO PUBLIC SCHOOL STUDENTS IN  
40 AN AMOUNT THAT EXCEEDS TWO PERCENT PER YEAR OR MORE THAN TEN PERCENT IN  
41 ANY TWENTY-YEAR PERIOD. UNDER NO CIRCUMSTANCES SHALL THE INCREASE IN RENT  
42 EXCEED A MINIMUM GROWTH RATE OF EITHER TWO PERCENT OR THE CHANGE IN THE  
43 GDP PRICE DEFLATOR, AS DEFINED IN SECTION 41-563, FROM THE SECOND  
44 PRECEDING CALENDAR YEAR TO THE CALENDAR YEAR IMMEDIATELY PRECEDING THE  
45 BUDGET YEAR, WHICHEVER IS LESS.

1 C. A SCHOOL DISTRICT MAY SELL USED EQUIPMENT TO A CHARTER SCHOOL OR  
2 PRIVATE SCHOOL BEFORE THE SCHOOL DISTRICT ATTEMPTS TO SELL OR DISPOSE OF  
3 THE EQUIPMENT BY OTHER MEANS.

4 Sec. 2. Repeal

5 Section 15-189, Arizona Revised Statutes, is repealed.

6 Sec. 3. Section 15-342, Arizona Revised Statutes, is amended to  
7 read:

8 15-342. Discretionary powers

9 The governing board may:

10 1. Expel pupils for misconduct.

11 2. Exclude from grades one through eight children under six years  
12 of age.

13 3. Make such separation of groups of pupils as it deems advisable.

14 4. Maintain such special schools during vacation as deemed  
15 necessary for the benefit of the pupils of the school district.

16 5. Permit a superintendent or principal or representatives of the  
17 superintendent or principal to travel for a school purpose, as determined  
18 by a majority vote of the board. The board may permit members and  
19 members-elect of the board to travel within or without the school district  
20 for a school purpose and receive reimbursement. Any expenditure for  
21 travel and subsistence pursuant to this paragraph shall be as provided in  
22 title 38, chapter 4, article 2. The designated post of duty referred to  
23 in section 38-621 shall be construed, for school district governing board  
24 members, to be the member's actual place of residence, as opposed to the  
25 school district office or the school district boundaries. Such  
26 expenditures shall be a charge against the budgeted school district funds.  
27 The governing board of a school district shall prescribe procedures and  
28 amounts for reimbursement of lodging and subsistence expenses.  
29 Reimbursement amounts shall not exceed the maximum amounts established  
30 pursuant to section 38-624, subsection C.

31 6. Construct or provide in rural districts housing facilities for  
32 teachers and other school employees that the board determines are  
33 necessary for the operation of the school.

34 7. Sell or lease to the state, a county, a city, another school  
35 district or a tribal government agency any school property required for a  
36 public purpose, provided the sale or lease of the property will not affect  
37 the normal operations of a school within the school district.

38 8. Annually budget and expend funds for membership in an  
39 association of school districts within this state.

40 9. Enter into leases or lease-purchase agreements for school  
41 buildings or grounds, or both, as lessor or as lessee, for periods of less  
42 than ~~fifteen~~ TWENTY years subject to voter approval for construction of  
43 school buildings as prescribed in section 15-341, subsection A,  
44 paragraph 7.

1           10. Subject to chapter 16 of this title, sell school sites or enter  
2 into leases or lease-purchase agreements for school buildings and grounds,  
3 as lessor or as lessee, for a period of ~~fifteen~~ TWENTY years or more, but  
4 not to exceed ninety-nine years, if authorized by a vote of the school  
5 district electors in an election called by the governing board as provided  
6 in section 15-491, except that authorization by the school district  
7 electors in an election is not required if one of the following  
8 requirements is met:

9           (a) The market value of the school property is less than ~~fifty~~  
10 ~~thousand dollars~~ \$50,000 or the property is procured through a renewable  
11 energy development agreement, an energy performance contract, which among  
12 other items includes a renewable energy power service agreement, or a  
13 simplified energy performance contract pursuant to section 15-213.01.

14           (b) The buildings and sites are completely funded with monies  
15 distributed by the school facilities board.

16           (c) The transaction involves the sale of improved or unimproved  
17 property pursuant to an agreement with the school facilities board in  
18 which the school district agrees to sell the improved or unimproved  
19 property and transfer the proceeds of the sale to the school facilities  
20 board in exchange for monies from the school facilities board for the  
21 acquisition of a more suitable school site. For a sale of property  
22 acquired by a school district prior to July 9, 1998, a school district  
23 shall transfer to the school facilities board that portion of the proceeds  
24 that equals the cost of the acquisition of a more suitable school site.  
25 If there are any remaining proceeds after the transfer of monies to the  
26 school facilities board, a school district shall only use those remaining  
27 proceeds for future land purchases approved by the school facilities  
28 board, or for capital improvements not funded by the school facilities  
29 board for any existing or future facility.

30           (d) The transaction involves the sale of improved or unimproved  
31 property pursuant to a formally adopted plan and the school district uses  
32 the proceeds of this sale to purchase other property that will be used for  
33 similar purposes as the property that was originally sold, provided that  
34 the sale proceeds of the improved or unimproved property are used within  
35 two years after the date of the original sale to purchase the replacement  
36 property. If the sale proceeds of the improved or unimproved property are  
37 not used within two years after the date of the original sale to purchase  
38 replacement property, the sale proceeds shall be used towards payment of  
39 any outstanding bonded indebtedness. If any sale proceeds remain after  
40 paying for outstanding bonded indebtedness, or if the district has no  
41 outstanding bonded indebtedness, sale proceeds shall be used to reduce the  
42 district's primary tax levy. A school district shall not use this  
43 subdivision unless all of the following conditions exist:

44           (i) The school district is the sole owner of the improved or  
45 unimproved property that the school district intends to sell.

1 (ii) The school district did not purchase the improved or  
2 unimproved property that the school district intends to sell with monies  
3 that were distributed pursuant to chapter 16 of this title.

4 (iii) The transaction does not violate section 15-341,  
5 subsection G.

6 11. Review the decision of a teacher to promote a pupil to a grade  
7 or retain a pupil in a grade in a common school or to pass or fail a pupil  
8 in a course in high school. The pupil has the burden of proof to overturn  
9 the decision of a teacher to promote, retain, pass or fail the pupil. In  
10 order to sustain the burden of proof, the pupil shall demonstrate to the  
11 governing board that the pupil has mastered the academic standards adopted  
12 by the state board of education pursuant to sections 15-701 and 15-701.01.  
13 If the governing board overturns the decision of a teacher pursuant to  
14 this paragraph, the governing board shall adopt a written finding that the  
15 pupil has mastered the academic standards. Notwithstanding title 38,  
16 chapter 3, article 3.1, the governing board shall review the decision of a  
17 teacher to promote a pupil to a grade or retain a pupil in a grade in a  
18 common school or to pass or fail a pupil in a course in high school in  
19 executive session unless a parent or legal guardian of the pupil or the  
20 pupil, if emancipated, disagrees that the review should be conducted in  
21 executive session and then the review shall be conducted in an open  
22 meeting. If the review is conducted in executive session, the board shall  
23 notify the teacher of the date, time and place of the review and shall  
24 allow the teacher to be present at the review. If the teacher is not  
25 present at the review, the board shall consult with the teacher before  
26 making its decision. Any request, including the written request as  
27 provided in section 15-341, the written evidence presented at the review  
28 and the written record of the review, including the decision of the  
29 governing board to accept or reject the teacher's decision, shall be  
30 retained by the governing board as part of its permanent records.

31 12. Provide transportation or site transportation loading and  
32 unloading areas for any child or children if deemed for the best interest  
33 of the district, whether within or without the district, county or state.

34 13. Enter into intergovernmental agreements and contracts with  
35 school districts or other governing bodies as provided in section 11-952.  
36 Intergovernmental agreements and contracts between school districts or  
37 between a school district and other governing bodies as provided in  
38 section 11-952 are exempt from competitive bidding under the procurement  
39 rules adopted by the state board of education pursuant to section 15-213.

40 14. Include in the curricula it prescribes for high schools in the  
41 school district career and technical education, vocational education and  
42 technology education programs and career and technical, vocational and  
43 technology program improvement services for the high schools, subject to  
44 approval by the state board of education. The governing board may

1 contract for the provision of career and technical, vocational and  
2 technology education as provided in section 15-789.

3 15. Suspend a teacher or administrator from the teacher's or  
4 administrator's duties without pay for a period of time of not to exceed  
5 ten school days, if the board determines that suspension is warranted  
6 pursuant to section 15-341, subsection A, paragraphs 21 and 22.

7 16. Dedicate school property within an incorporated city or town to  
8 such city or town or within a county to that county for use as a public  
9 right-of-way if both of the following apply:

10 (a) Pursuant to an ordinance adopted by such city, town or county,  
11 there will be conferred upon the school district privileges and benefits  
12 that may include benefits related to zoning.

13 (b) The dedication will not affect the normal operation of any  
14 school within the district.

15 17. Enter into option agreements for the purchase of school sites.

16 18. Donate surplus or outdated learning materials, educational  
17 equipment and furnishings to nonprofit community organizations where the  
18 governing board determines that the anticipated cost of selling the  
19 learning materials, educational equipment or furnishings equals or exceeds  
20 the estimated market value of the materials.

21 19. Prescribe policies for the assessment of reasonable fees for  
22 students to use district-provided parking facilities. The fees are to be  
23 applied by the district solely against costs incurred in operating or  
24 securing the parking facilities. Any policy adopted by the governing  
25 board pursuant to this paragraph shall include a fee waiver provision in  
26 appropriate cases of need or economic hardship.

27 20. Establish alternative educational programs that are consistent  
28 with the laws of this state to educate pupils, including pupils who have  
29 been reassigned pursuant to section 15-841, subsection E or F.

30 21. Require a period of silence to be observed at the commencement  
31 of the first class of the day in the schools. If a governing board  
32 chooses to require a period of silence to be observed, the teacher in  
33 charge of the room in which the first class is held shall announce that a  
34 period of silence not to exceed one minute in duration will be observed  
35 for meditation, and during that time no activities shall take place and  
36 silence shall be maintained.

37 22. Require students to wear uniforms.

38 23. Exchange unimproved property or improved property, including  
39 school sites, where the governing board determines that the improved  
40 property is unnecessary for the continued operation of the school district  
41 without requesting authorization by a vote of the school district electors  
42 if the governing board determines that the exchange is necessary to  
43 protect the health, safety or welfare of pupils or when the governing  
44 board determines that the exchange is based on sound business principles  
45 for either:

1 (a) Unimproved or improved property of equal or greater value.

2 (b) Unimproved property that the owner contracts to improve if the  
3 value of the property ultimately received by the school district is of  
4 equal or greater value.

5 24. For common and high school pupils, assess reasonable fees for  
6 optional extracurricular activities and programs conducted when the common  
7 or high school is not in session, except that no fees shall be charged for  
8 pupils' access to or use of computers or related materials. For high  
9 school pupils, the governing board may assess reasonable fees for fine  
10 arts and vocational education courses and for optional services, equipment  
11 and materials offered to the pupils beyond those required to successfully  
12 complete the basic requirements of any other course, except that no fees  
13 shall be charged for pupils' access to or use of computers or related  
14 materials. Fees assessed pursuant to this paragraph shall be adopted at a  
15 public meeting after notice has been given to all parents of pupils  
16 enrolled at schools in the district and shall not exceed the actual costs  
17 of the activities, programs, services, equipment or materials. The  
18 governing board shall authorize principals to waive the assessment of all  
19 or part of a fee assessed pursuant to this paragraph if it creates an  
20 economic hardship for a pupil. For the purposes of this paragraph,  
21 "extracurricular activity" means any optional, noncredit, educational or  
22 recreational activity that supplements the education program of the  
23 school, whether offered before, during or after regular school hours.

24 25. Notwithstanding section 15-341, subsection A, paragraphs 7 and  
25 9, construct school buildings and purchase or lease school sites, without  
26 a vote of the school district electors, if the buildings and sites are  
27 totally funded from one or more of the following:

28 (a) Monies in the unrestricted capital outlay fund, except that the  
29 estimated cost shall not ~~exceed two hundred fifty thousand dollars~~  
30 **\$250,000** for a district that utilizes section 15-949.

31 (b) Monies distributed from the school facilities board established  
32 by section 15-2001.

33 (c) Monies specifically donated for the purpose of constructing  
34 school buildings.

35 This paragraph shall not be construed to eliminate the requirement  
36 for an election to raise revenues for a capital outlay override pursuant  
37 to section 15-481 or a bond election pursuant to section 15-491.

38 26. Conduct a background investigation that includes a fingerprint  
39 check conducted pursuant to section 41-1750, subsection G for certificated  
40 personnel and personnel who are not paid employees of the school district,  
41 as a condition of employment. A school district may release the results  
42 of a background check to another school district for employment purposes.  
43 The school district may charge the costs of fingerprint checks to its  
44 fingerprinted employee, except that the school district may not charge the

1 costs of fingerprint checks for personnel who are not paid employees of  
2 the school district.

3 27. Unless otherwise prohibited by law, sell advertising as  
4 follows:

5 (a) Advertisements shall be age appropriate and not contain  
6 promotion of any substance that is illegal for minors such as alcohol,  
7 tobacco and drugs or gambling. Advertisements shall comply with the state  
8 sex education policy of abstinence.

9 (b) Advertising approved by the governing board for the exterior of  
10 school buses may appear only on the sides of the bus in the following  
11 areas:

12 (i) The signs shall be below the seat level rub rail and not extend  
13 above the bottom of the side windows.

14 (ii) The signs shall be at least three inches from any required  
15 lettering, lamp, wheel well or reflector behind the service door or stop  
16 signal arm.

17 (iii) The signs shall not extend from the body of the bus so as to  
18 allow a handhold or present a danger to pedestrians.

19 (iv) The signs shall not interfere with the operation of any door  
20 or window.

21 (v) The signs shall not be placed on any emergency doors.

22 (c) The school district shall establish an advertisement fund that  
23 is composed of revenues from the sale of advertising. The monies in an  
24 advertisement fund are not subject to reversion.

25 28. Assess reasonable damage deposits to pupils in grades seven  
26 through twelve for the use of textbooks, musical instruments, band  
27 uniforms or other equipment required for academic courses. The governing  
28 board shall adopt policies on any damage deposits assessed pursuant to  
29 this paragraph at a public meeting called for this purpose after providing  
30 notice to all parents of pupils in grades seven through twelve in the  
31 school district. Principals of individual schools within the district may  
32 waive the damage deposit requirement for any textbook or other item if the  
33 payment of the damage deposit would create an economic hardship for the  
34 pupil. The school district shall return the full amount of the damage  
35 deposit for any textbook or other item if the pupil returns the textbook  
36 or other item in reasonably good condition within the time period  
37 prescribed by the governing board. For the purposes of this paragraph,  
38 "in reasonably good condition" means the textbook or other item is in the  
39 same or a similar condition as it was when the pupil received it, plus  
40 ordinary wear and tear.

41 29. Notwithstanding section 15-1105, expend surplus monies in the  
42 civic center school fund for maintenance and operations or unrestricted  
43 capital outlay, if sufficient monies are available in the fund after  
44 meeting the needs of programs established pursuant to section 15-1105.



1           30. Notwithstanding section 15-1143, expend surplus monies in the  
2 community school program fund for maintenance and operations or  
3 unrestricted capital outlay, if sufficient monies are available in the  
4 fund after meeting the needs of programs established pursuant to section  
5 15-1142.

6           31. Adopt guidelines for standardization of the format of the  
7 school report cards required by section 15-746 for schools within the  
8 district.

9           32. Adopt policies that require parental notification when a law  
10 enforcement officer interviews a pupil on school grounds. Policies  
11 adopted pursuant to this paragraph shall not impede a peace officer from  
12 the performance of the peace officer's duties. If the school district  
13 governing board adopts a policy that requires parental notification:

14           (a) The policy may provide reasonable exceptions to the parental  
15 notification requirement.

16           (b) The policy shall set forth whether and under what circumstances  
17 a parent may be present when a law enforcement officer interviews the  
18 pupil, including reasonable exceptions to the circumstances under which a  
19 parent may be present when a law enforcement officer interviews the pupil,  
20 and shall specify a reasonable maximum time after a parent is notified  
21 that an interview of a pupil by a law enforcement officer may be delayed  
22 to allow the parent to be present.

23           33. Enter into voluntary partnerships with any party to finance  
24 with funds other than school district funds and cooperatively design  
25 school facilities that comply with the adequacy standards prescribed in  
26 section 15-2011 and the square footage per pupil requirements pursuant to  
27 section 15-2041, subsection D, paragraph 3, subdivision (b). The design  
28 plans and location of any such school facility shall be submitted to the  
29 school facilities board for approval pursuant to section 15-2041,  
30 subsection 0. If the school facilities board approves the design plans  
31 and location of any such school facility, the party in partnership with  
32 the school district may cause to be constructed and the district may begin  
33 operating the school facility before monies are distributed from the  
34 school facilities board pursuant to section 15-2041. Monies distributed  
35 from the new school facilities fund to a school district in a partnership  
36 with another party to finance and design the school facility shall be paid  
37 to the school district pursuant to section 15-2041. The school district  
38 shall reimburse the party in partnership with the school district from the  
39 monies paid to the school district pursuant to section 15-2041, in  
40 accordance with the voluntary partnership agreement. Before the school  
41 facilities board distributes any monies pursuant to this subsection, the  
42 school district shall demonstrate to the school facilities board that the  
43 facilities to be funded pursuant to section 15-2041, subsection 0 meet the  
44 minimum adequacy standards prescribed in section 15-2011. If the cost to  
45 construct the school facility exceeds the amount that the school district

1 receives from the new school facilities fund, the partnership agreement  
2 between the school district and the other party shall specify that, except  
3 as otherwise provided by the other party, any such excess costs shall be  
4 the responsibility of the school district. The school district governing  
5 board shall adopt a resolution in a public meeting that an analysis has  
6 been conducted on the prospective effects of the decision to operate a new  
7 school with existing monies from the school district's maintenance and  
8 operations budget and how this decision may affect other schools in the  
9 school district. If a school district acquires land by donation at an  
10 appropriate school site approved by the school facilities board and a  
11 school facility is financed and built on the land pursuant to this  
12 paragraph, the school facilities board shall distribute an amount equal to  
13 twenty percent of the fair market value of the land that can be used for  
14 academic purposes. The school district shall place the monies in the  
15 unrestricted capital outlay fund and increase the unrestricted capital  
16 budget limit by the amount of the monies placed in the fund. Monies  
17 distributed under this paragraph shall be distributed from the new school  
18 facilities fund pursuant to section 15-2041. If a school district  
19 acquires land by donation at an appropriate school site approved by the  
20 school facilities board and a school facility is financed and built on the  
21 land pursuant to this paragraph, the school district shall not receive  
22 monies from the school facilities board for the donation of real property  
23 pursuant to section 15-2041, subsection F. It is unlawful for:

24 (a) A county, city or town to require as a condition of any land  
25 use approval that a landowner or landowners that entered into a  
26 partnership pursuant to this paragraph provide any contribution, donation  
27 or gift, other than a site donation, to a school district. This  
28 subdivision only applies to the property in the voluntary partnership  
29 agreement pursuant to this paragraph.

30 (b) A county, city or town to require as a condition of any land  
31 use approval that the landowner or landowners located within the  
32 geographic boundaries of the school subject to the voluntary partnership  
33 pursuant to this paragraph provide any donation or gift to the school  
34 district except as provided in the voluntary partnership agreement  
35 pursuant to this paragraph.

36 (c) A community facilities district established pursuant to title  
37 48, chapter 4, article 6 to be used for reimbursement of financing the  
38 construction of a school pursuant to this paragraph.

39 (d) A school district to enter into an agreement pursuant to this  
40 paragraph with any party other than a master planned community party. Any  
41 land area consisting of at least three hundred twenty acres that is the  
42 subject of a development agreement with a county, city or town entered  
43 into pursuant to section 9-500.05 or 11-1101 shall be deemed to be a  
44 master planned community. For the purposes of this subdivision, "master  
45 planned community" means a land area consisting of at least three hundred

1 twenty acres, which may be noncontiguous, that is the subject of a zoning  
2 ordinance approved by the governing body of the county, city or town in  
3 which the land is located that establishes the use of the land area as a  
4 planned area development or district, planned community development or  
5 district, planned unit development or district or other land use category  
6 or district that is recognized in the local ordinance of such county, city  
7 or town and that specifies the use of such land is for a master planned  
8 development.

9 34. Enter into an intergovernmental agreement with a presiding  
10 judge of the juvenile court to implement a law-related education program  
11 as defined in section 15-154. The presiding judge of the juvenile court  
12 may assign juvenile probation officers to participate in a law-related  
13 education program in any school district in the county. The cost of  
14 juvenile probation officers who participate in the program implemented  
15 pursuant to this paragraph shall be funded by the school district.

16 35. Offer to sell outdated learning materials, educational  
17 equipment or furnishings at a posted price commensurate with the value of  
18 the items to pupils who are currently enrolled in that school district  
19 before those materials are offered for public sale.

20 36. If the school district is a small school district as defined in  
21 section 15-901, and if permitted by federal law, opt out of federal grant  
22 opportunities if the governing board determines that the federal  
23 requirements impose unduly burdensome reporting requirements.

24 37. Prescribe and enforce policies and procedures for the emergency  
25 administration of inhalers by trained employees of the school district and  
26 nurses who are under contract with the school district pursuant to section  
27 15-158.

28 38. Develop policies and procedures to allow principals to budget  
29 for or assist with budgeting federal, state and local monies.

30 Sec. 4. Section 15-491, Arizona Revised Statutes, is amended to  
31 read:

32 15-491. Elections on school property: exceptions

33 A. The governing board of a school district may, and on petition of  
34 fifteen percent of the school electors as shown by the poll list at the  
35 last preceding annual school election shall, call an election for the  
36 following purposes:

37 1. To locate or change the location of school buildings.

38 2. To purchase or sell school sites or buildings or sell school  
39 sites pursuant to section 15-342 or to build school buildings, but the  
40 authorization by vote of the school district shall not necessarily specify  
41 the site to be purchased.

42 3. To decide whether the bonds of the school district shall be  
43 issued and sold for the purpose of raising money for purchasing or leasing  
44 school lots, for building or renovating school buildings, for supplying  
45 school buildings with furniture, equipment and technology, for improving

1 school grounds, for purchasing pupil transportation vehicles or for  
2 liquidating any indebtedness already incurred for such purposes. Bonds  
3 issued for furniture, equipment and technology, other than fixtures, shall  
4 mature no later than the July 1 that follows the fifth year after the  
5 bonds were issued. A school district shall not issue class B bonds until  
6 the school district has obligated in contract the entire proceeds of any  
7 class A bonds issued by the school district. The total amount of class A  
8 and class B bonds issued by a school district shall not exceed the debt  
9 limitations prescribed in article IX, sections 8 and 8.1, Constitution of  
10 Arizona.

11 4. To lease for ~~ten~~ TWENTY or more years, as lessor or as lessee,  
12 school buildings or grounds. Approval by a majority of the school  
13 district electors voting authorizes the governing board to negotiate for  
14 and enter into a lease. The ballot shall list the school buildings or  
15 grounds for which a lease is sought. If the governing board does not  
16 enter into a lease of ~~ten~~ TWENTY or more years of the school buildings or  
17 grounds listed on the ballot within ~~ten~~ TWENTY years of the date of the  
18 election and the board continues to seek such a lease, the governing board  
19 shall call a special election to reauthorize the board to negotiate for  
20 and to enter into a lease of ~~ten~~ TWENTY or more years. THE SCHOOL  
21 DISTRICT, AT ANY TIME, MAY END THE LEASE FOR A LEASED SCHOOL THAT IS  
22 ASSIGNED A LETTER GRADE OF D PURSUANT TO SECTION 15-241 FOR MORE THAN ONE  
23 YEAR OR A LEASED SCHOOL THAT IS ASSIGNED A LETTER GRADE OF F PURSUANT TO  
24 SECTION 15-241 FOR ANY LENGTH OF TIME. IF A SCHOOL IS CLOSING, NOTICE  
25 SHALL COMPLY WITH THE NOTICE REQUIREMENTS PRESCRIBED IN SECTION 15-341.

26 5. To change the list of capital projects or the purposes  
27 authorized by prior voter approval to issue bonds.

28 6. To extend from six to ten years the time period to issue class B  
29 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph  
30 may not be held later than the sixth November after the election approving  
31 the issuance of the bonds.

32 B. No petition shall be required for the holding of the first  
33 election to be held in a joint common school district for any of the  
34 purposes specified in subsection A of this section. The certification of  
35 election results required by section 15-493 shall be made to the board of  
36 supervisors of the jurisdictional county.

37 C. When the election is called to determine whether or not bonds of  
38 the school district shall be issued and sold for the purposes enumerated  
39 in the call for the election, the question shall be submitted to the vote  
40 of the qualified electors of the school district as defined in section  
41 15-401 and subject to section 15-402.

42 D. The governing board shall order the election to be held and the  
43 election notice and procedures to be conducted in the manner prescribed in  
44 title 35, chapter 3, article 3. If a petition for an election has been  
45 filed with the governing board as provided in subsection A of this

1 section, the board shall act on the petition within sixty days by ordering  
2 the election to be held as provided in this subsection. If a school  
3 district bond election is scheduled for the same date a school district  
4 will hold an override election, the governing body shall deliver a copy of  
5 the notice of election and ballot to the county school superintendent who  
6 shall include the notice of election and ballot with the informational  
7 pamphlet and ballot prepared for the override election. Mailing of the  
8 information required for both the override and bond elections shall  
9 constitute compliance with the notice provisions of this section.

10 E. The elections to be held pursuant to this section shall only be  
11 held on dates prescribed by section 16-204, except that elections held  
12 pursuant to this section to decide whether class B bonds shall be issued,  
13 or any other obligation incurred that will require the assessment of  
14 secondary property taxes, shall only be held on the first Tuesday after  
15 the first Monday of November.

16 F. Subsection A, paragraph 2 of this section does not apply to the  
17 sale of school property if the market value of the school property is less  
18 than fifty thousand dollars.

19 G. Bond counsel fees, financial advisory fees, printing costs and  
20 paying agent and registrar fees for bonds issued pursuant to an election  
21 under this section shall be paid from either the amount authorized by the  
22 qualified electors of the school district or current operating funds.  
23 Bond election expenses shall be paid from current operating funds only.

24 H. For any election conducted to decide whether class B bonds will  
25 be issued pursuant to this section:

26 1. Except as provided in paragraph 2 of this subsection, the ballot  
27 shall include the following statement:

28 The capital improvements that are proposed to be funded  
29 through this bond issuance are to exceed the state standards  
30 and are in addition to monies provided by the state.

31 \_\_\_\_\_ school district is proposing to issue class B  
32 general obligation bonds totaling \$\_\_\_\_\_ to fund capital  
33 improvements over and above those funded by the state. Under  
34 the students first capital funding system, \_\_\_\_\_ school  
35 district is entitled to state monies for new construction and  
36 renovation of school buildings in accordance with state law.

37 2. For a school district that is a career technical education  
38 district, the ballot shall include the following statement:

39 \_\_\_\_\_, a career technical education district, is  
40 proposing to issue class B general obligation bonds totaling  
41 \$\_\_\_\_\_ to fund capital improvements at a campus owned or  
42 operated and maintained by the career technical education  
43 district.

44 3. The ballot shall conform to the requirements of title 35,  
45 chapter 3, article 3.

1           4. At least eighty-five days before the election, the school  
2 district shall submit proposed ballot language to the county school  
3 superintendent and the director of the Arizona legislative council. The  
4 director of the Arizona legislative council shall review the proposed  
5 ballot language to determine whether the proposed ballot language complies  
6 with this section. If the director of the Arizona legislative council  
7 determines that the proposed ballot language does not comply with this  
8 section, the director, within ten calendar days of the receipt of the  
9 proposed ballot language, shall notify the school district and the county  
10 school superintendent of the director's objections and the school district  
11 shall resubmit revised ballot language to the director for approval.

12           5. No later than thirty-five days before a class B bond election  
13 conducted pursuant to this section, the school district shall mail an  
14 informational pamphlet prepared by the county school superintendent to  
15 each household that contains a qualified elector in the school district.  
16 The informational pamphlet shall contain, at a minimum, the following  
17 information:

18           (a) An executive summary of the school district's most recent  
19 capital plan submitted to the school facilities board AND A STATEMENT ON  
20 THE NUMBER OF VACANT BUILDINGS IN THE SCHOOL DISTRICT AND THE NUMBER OF  
21 BUILDINGS THAT ARE AT LESS THAN FORTY PERCENT CAPACITY ACCORDING TO THE  
22 STANDARDS PRESCRIBED BY THE SCHOOL FACILITIES BOARD.

23           (b) A complete list of each proposed capital improvement that will  
24 be funded with the proceeds of the bonds and a description of the proposed  
25 cost of each improvement, including a separate aggregation of capital  
26 improvements for administrative purposes as defined by the school  
27 facilities board.

28           (c) The tax rate associated with each of the proposed capital  
29 improvements and the estimated cost of each capital improvement for the  
30 owner of a single family home that is valued at one hundred thousand  
31 dollars.

32           I. For any election conducted to decide whether impact aid revenue  
33 bonds shall be issued pursuant to this section:

34           1. The ballot shall include the following statement:

35                   The capital improvements that are proposed to be funded  
36 through this bond issuance are to exceed the state standards  
37 and are in addition to monies provided by the state.

38                   \_\_\_\_\_ school district is proposing to issue impact  
39 aid revenue bonds totaling \$\_\_\_\_\_ to fund capital  
40 improvements over and above those funded by the state. Under  
41 the students first capital funding system, \_\_\_\_\_ school  
42 district is entitled to state monies for new construction and  
43 renovation of school buildings in accordance with state law.

1           2. The ballot shall contain the words "bond approval, yes" and  
2 "bond approval, no", and the voter shall signify the voter's desired  
3 choice.

4           3. At least eighty-five days before the election, the school  
5 district shall submit proposed ballot language to the director of the  
6 legislative council. The director of the legislative council shall review  
7 the proposed ballot language to determine whether the proposed ballot  
8 language complies with this section. If the director of the legislative  
9 council determines that the proposed ballot language does not comply with  
10 this section, the director, within ten calendar days of the receipt of the  
11 proposed ballot language, shall notify the school district of the  
12 director's objections and the school district shall resubmit revised  
13 ballot language to the director for approval.

14           4. No later than thirty-five days before an impact aid revenue bond  
15 election conducted pursuant to this section, the school district shall  
16 mail an informational pamphlet prepared by the county school  
17 superintendent to each household that contains a qualified elector in the  
18 school district. The informational pamphlet shall contain, at a minimum,  
19 the following information:

20           (a) The date of the election.

21           (b) The voter's polling place and the times it is open.

22           (c) An executive summary of the school district's most recent  
23 capital plan submitted to the school facilities board.

24           (d) A complete list of each proposed capital improvement that will  
25 be funded with the proceeds of the bonds and a description of the proposed  
26 cost of each improvement, including a separate aggregation of capital  
27 improvements for administrative purposes as defined by the school  
28 facilities board.

29           (e) A statement that impact aid revenue bonds will be fully funded  
30 by aid that the school district receives from the federal government and  
31 do not require a levy of taxes in the district.

32           (f) A statement that if the bonds are approved, the first priority  
33 for the impact aid will be to pay the debt service for the bonds and that  
34 other uses of the monies are prohibited until the debt service obligation  
35 is met.

36           (g) A statement that if the impact aid revenue bonds are approved,  
37 the school district shall not issue or sell class B bonds while the  
38 district has existing indebtedness from impact aid revenue bonds, except  
39 for bonds issued to refund any bonds issued by the board.

40           J. If the voters approve the issuance of school district class B  
41 bonds or impact aid revenue bonds, the school district shall not use the  
42 bond proceeds for any purposes other than the proposed capital  
43 improvements listed in the informational pamphlet, except that up to ten  
44 percent of the bond proceeds may be used for general capital expenses,  
45 including cost overruns of proposed capital improvements. The proposed

1 capital improvements may be changed by a subsequent election as provided  
2 by this section.

3 K. Each school district that issues bonds under this section is  
4 required to hold a public meeting each year between September 1 and  
5 October 31, until the bond proceeds are spent, at which an update of the  
6 progress of capital improvements financed through bonding is discussed and  
7 at which the public is permitted an opportunity to comment. At a minimum,  
8 the update shall include a comparison of the current status and the  
9 original projections on the construction of capital improvements, the  
10 costs of capital improvements and the costs of capital improvements in  
11 progress or completed since the prior meeting and the future capital  
12 bonding plans of the school district. The school district shall include  
13 in the public meeting a discussion of the school district's use of state  
14 capital aid and voter-approved capital overrides in funding capital  
15 improvements, if any.

16 L. If an election is held to change the purpose or list of capital  
17 projects authorized by prior voter approval to issue bonds pursuant to  
18 subsection A, paragraph 5 of this section, the following requirements  
19 apply:

20 1. The election may be held only on the first Tuesday after the  
21 first Monday in November.

22 2. No later than thirty-five days before the election, the school  
23 district shall mail an informational pamphlet prepared by the county  
24 school superintendent to each household in the school district that  
25 contains a qualified elector. The informational pamphlet shall contain,  
26 at a minimum, the following information:

27 (a) The date of the election.

28 (b) The voter's polling place and the times it is open.

29 (c) A statement as to why the election was called.

30 (d) A complete list of each proposed capital improvement that is in  
31 addition to the initial capital improvements presented in the  
32 informational pamphlet when the bonds were approved and the proposed cost  
33 of each improvement, including a separate aggregation of capital  
34 improvements for administrative purposes as defined by the school  
35 facilities board.

36 (e) A complete list of each capital improvement that was presented  
37 in the informational pamphlet when the bonds were initially approved and  
38 that is proposed to be eliminated or to have its cost reduced, and the  
39 proposed cost of each improvement, including a separate aggregation of  
40 capital improvements for administrative purposes as defined by the school  
41 facilities board.



1 (f) Arguments for and against the proposed change, if submitted, as  
2 provided by section 15-481, subsection B, paragraph 9. The ballot  
3 arguments for the proposed change shall be signed as the governing board  
4 of the school district without listing any member's individual name for  
5 the arguments for the proposed change.

6 3. The ballot shall contain the words "change capital improvements,  
7 yes" and "change capital improvements, no", and the voter shall signify  
8 the voter's desired choice.

9 4. If the election is to add a purpose that was not on the initial  
10 ballot, the ballot shall list the purpose that is proposed to be added.

11 M. If an election is held to extend the time to issue bonds  
12 pursuant to subsection A, paragraph 6 of this section, the following  
13 requirements apply:

14 1. The election may be held only on the first Tuesday after the  
15 first Monday in November.

16 2. No later than thirty-five days before the election, the school  
17 district shall mail an informational pamphlet prepared by the county  
18 school superintendent to each household in the school district that  
19 contains a qualified elector. The informational pamphlet shall contain,  
20 at a minimum, the following information:

21 (a) The date of the election.

22 (b) The voter's polling place and the times it is open.

23 (c) A statement as to why the election was called.

24 (d) Arguments for and against the proposed change, if submitted, as  
25 provided in section 15-481, subsection B, paragraph 9. The ballot  
26 arguments for the proposed change shall be signed as the governing board  
27 of the school district without listing any member's individual name for  
28 the arguments for the proposed change.

29 3. The ballot shall contain the words "extend time to issue bonds,  
30 yes" and "extend time to issue bonds, no", and the voter shall signify the  
31 voter's desired choice.

32 N. SUBSECTION A, PARAGRAPHS 2 AND 4 OF THIS SECTION DO NOT APPLY TO  
33 THE SALE OR LEASE OF A SCHOOL BUILDING OR THE LEASE OF A PORTION OF A  
34 BUILDING IF THE BUILDING HAS BEEN VACANT FOR AT LEAST THREE YEARS OR IS AT  
35 LESS THAN FORTY PERCENT CAPACITY ACCORDING TO THE STANDARDS PRESCRIBED BY  
36 THE SCHOOL FACILITIES BOARD. REVENUES DERIVED FROM THE SALE OF ANY  
37 BUILDING THAT IS OWNED BY THE SCHOOL DISTRICT OR FROM THE LEASE OF ANY  
38 BUILDING PURSUANT TO THIS SUBSECTION MAY BE USED FOR OTHER CAPITAL AND  
39 ACADEMIC NEEDS OF THE SCHOOL DISTRICT AS IDENTIFIED BY THE SCHOOL DISTRICT  
40 GOVERNING BOARD AND PRIORITIZED FOR SCHOOLS IN WHICH AT LEAST SIXTY  
41 PERCENT OF THE STUDENTS ENROLLED AT THE SCHOOL PARTICIPATE IN THE NATIONAL  
42 FREE AND REDUCED-PRICE SCHOOL LUNCH PROGRAM.

1           Sec. 5. Section 15-2002, Arizona Revised Statutes, is amended to  
2 read:

3           15-2002. Powers and duties; executive director; staffing;  
4                                   reporting requirements

5           A. The school facilities board shall:

6           1. Make assessments of school facilities and equipment deficiencies  
7 and approve the distribution of grants as appropriate.

8           2. Maintain a database of school facilities to administer the  
9 building renewal grant fund and new school facilities formula. The  
10 facilities listed in the database must include all buildings that are  
11 owned by school districts. The school facilities board shall ensure that  
12 the database is updated on at least an annual basis. Each school district  
13 shall report to the school facilities board no later than September 1 of  
14 each year information as required by the school facilities board for the  
15 administration of the building renewal grant fund and computation of new  
16 school facilities formula distributions, including the nature and cost of  
17 major repairs, renovations or physical improvements to or replacement of  
18 building systems or equipment that were made in the previous year and that  
19 were paid for either with local monies or monies provided by the school  
20 facilities board from the building renewal grant fund. Each school  
21 district shall report any school or school buildings that have been  
22 closed, **THAT ARE VACANT, THAT ARE UNDER FORTY PERCENT CAPACITY AND** that  
23 have been leased to another entity or that operate as a charter  
24 school. The school facilities board **SHALL DEVELOP GUIDELINES AND**  
25 **DEFINITIONS FOR THE REPORTING PRESCRIBED IN THIS PARAGRAPH AND** may review  
26 or audit the information, or both, to confirm the information submitted by  
27 a school district. Notwithstanding any other provision of this chapter,  
28 if a school district converts space that is listed in the database  
29 maintained pursuant to this paragraph to space that will be used for  
30 administrative purposes, the school district is responsible for any costs  
31 associated with the conversion, maintenance and replacement of that space.  
32 If a building is significantly upgraded or remodeled, the school  
33 facilities board shall adjust the age of that school facility in the  
34 database as follows:

35           (a) Determine the building capacity value as follows:

36           (i) Multiply the student capacity of the building by the per pupil  
37 square foot capacity established by section 15-2041.

38           (ii) Multiply the product determined in item (i) of this  
39 subdivision by the cost per square foot established by section 15-2041.

40           (b) Divide the cost of the renovation by the building capacity  
41 value determined in subdivision (a) of this paragraph.

42           (c) Multiply the quotient determined in subdivision (b) of this  
43 paragraph by the currently listed age of the building in the database.

1 (d) Subtract the product determined in subdivision (c) of this  
2 paragraph from the currently listed age of the building in the database,  
3 rounded to the nearest whole number. If the result is a negative number,  
4 use zero.

5 3. Inspect school buildings at least once every five years to  
6 ensure compliance with the building adequacy standards prescribed in  
7 section 15-2011, **THE ACCURACY OF THE VACANT SPACE REPORTED PURSUANT TO**  
8 **THIS SUBSECTION** and routine preventive maintenance guidelines as  
9 prescribed in this section with respect to construction of new buildings  
10 and maintenance of existing buildings. The school facilities board shall  
11 randomly select twenty school districts every thirty months and inspect  
12 them pursuant to this paragraph.

13 4. Review and approve student population projections submitted by  
14 school districts to determine to what extent school districts are entitled  
15 to monies to construct new facilities pursuant to section 15-2041. The  
16 board shall make a final determination within five months after the  
17 receipt of an application by a school district for monies from the new  
18 school facilities fund.

19 5. Certify that plans for new school facilities meet the building  
20 adequacy standards prescribed in section 15-2011.

21 6. Develop prototypical elementary and high school designs. The  
22 board shall review the design differences between the schools with the  
23 highest academic productivity scores and the schools with the lowest  
24 academic productivity scores. The board shall also review the results of  
25 a valid and reliable survey of parent quality rating in the highest  
26 performing schools and the lowest performing schools in this state. The  
27 survey of parent quality rating shall be administered by the department of  
28 education. The board shall consider the design elements of the schools  
29 with the highest academic productivity scores and parent quality ratings  
30 in the development of elementary and high school designs. The board shall  
31 develop separate school designs for elementary, middle and high schools  
32 with varying pupil capacities.

33 7. Develop application forms, reporting forms and procedures to  
34 carry out the requirements of this article, including developing and  
35 implementing policies and procedures to:

36 (a) Ensure that the board notifies school districts in a uniform  
37 manner of the services and funding available for school districts from the  
38 board for facility construction, renovation and repair projects. The  
39 policies and procedures shall require the board to provide at least one  
40 annual communication to school districts in a manner prescribed by the  
41 board and shall require each school district to develop and maintain a  
42 list of persons who are responsible for facilities management at that  
43 school district.

1 (b) Establish a project eligibility assessment for all projects  
2 submitted for building renewal grant funding or emergency deficiencies  
3 correction funding, including establishing standardized criteria for  
4 project eligibility. Before the board formally approves a project, the  
5 staff of the board may review the costs and scope of the proposed project  
6 with persons and entities that have submitted bids on the project.

7 (c) Ensure that the board maintains standardized documentation of  
8 all projects submitted to the board for consideration to receive services  
9 or a financial award from the board. The board shall maintain  
10 standardized documentation of any project awarded monies by the board,  
11 including records of payments to school districts in a manner prescribed  
12 by the board. The standardized documentation shall include the following  
13 as part of the eligibility determination criteria:

14 (i) Whether the problem that the proposed project intends to  
15 address caused the building or facility to fall below the minimum school  
16 facility adequacy guidelines prescribed in section 15-2011.

17 (ii) Whether the school district performed the routine preventive  
18 maintenance required pursuant to section 15-2032 on the building or  
19 facility.

20 (d) Require a school district to submit contact information for  
21 each proposed project, including the name, e-mail address and telephone  
22 number of persons who are responsible for facilities management at the  
23 school district.

24 (e) Require a school district to provide justification for each  
25 proposed project, including all of the following:

26 (i) The school district's use or planned use of the facility.

27 (ii) A detailed description of the problem and the school  
28 district's recommended solution.

29 (iii) Any completed professional study regarding the proposed  
30 project.

31 (iv) Any citation or report from government entities.

32 (v) The estimated cost of the proposed project, with documentation.

33 (vi) The project category.

34 (vii) A description of any local funding that will be used for the  
35 proposed project.

36 (viii) Documentation on associated insurance coverage, if  
37 applicable.

38 (f) If the application is for monies from the building renewal  
39 grant fund established by section 15-2032, require the school district to  
40 report the preventive maintenance activities completed during the previous  
41 twelve months for the facility for which the monies are being requested.

42 (g) Require that an initial application not be considered complete  
43 until all necessary information is submitted.

1 (h) Allow a school district to submit an incomplete application and  
2 request technical assistance from the staff of the board if the school  
3 district is unable to provide sufficient information in the initial  
4 application.

5 (i) Require that a complete application be received by the board at  
6 least fifteen business days before the next regularly scheduled board  
7 meeting in order for the application to be considered at that meeting. An  
8 incomplete application may be considered at that meeting if both the staff  
9 of the board and the superintendent of the school district deem the  
10 project critical.

11 (j) Allow the staff of the board to notify a school district in  
12 writing before review by the board that the proposed project does not meet  
13 eligibility criteria prescribed in this chapter. The written notification  
14 shall include documentation to support the staff's determination that the  
15 proposed project does not meet the eligibility criteria prescribed in this  
16 chapter. The school district may directly appeal the staff's  
17 determination of ineligibility to the executive director of the board.  
18 The school district may directly appeal the executive director's  
19 determination of ineligibility to the board.

20 (k) Prohibit the staff of the board from requesting that a school  
21 district withdraw a project application from review by the board if the  
22 initial staff review determines that the proposed project may be  
23 ineligible for monies from the board.

24 8. Review and approve or reject requests submitted by school  
25 districts to take actions pursuant to section 15-341, subsection G.

26 9. Submit electronically an annual report on or before December 15  
27 to the speaker of the house of representatives, the president of the  
28 senate, the superintendent of public instruction, the secretary of state  
29 and the governor that includes the following information:

30 (a) A detailed description of the amount of monies distributed by  
31 the school facilities board in the previous fiscal year.

32 (b) A list of each capital project that received monies from the  
33 school facilities board during the previous fiscal year, a brief  
34 description of each project that was funded and a summary of the board's  
35 reasons for the distribution of monies for the project.

36 (c) A summary of the findings and conclusions of the building  
37 maintenance inspections conducted pursuant to this article during the  
38 previous fiscal year.

39 (d) A summary of the findings of common design elements and  
40 characteristics of the highest performing schools and the lowest  
41 performing schools based on academic productivity, including the results  
42 of the parent quality rating survey. For the purposes of this  
43 subdivision, "academic productivity" means academic year advancement per  
44 calendar year as measured with student-level data using the statewide  
45 nationally standardized norm-referenced achievement test.

1           10. On or before December 1 of each year, report electronically to  
2 the joint committee on capital review the amounts necessary to fulfill the  
3 requirements of sections 15-2022 and 15-2041 for the following three  
4 fiscal years. In developing the amounts necessary for this report, the  
5 school facilities board shall use the most recent average daily membership  
6 data available. On request from the board, the department of education  
7 shall make available the most recent average daily membership data for use  
8 in calculating the amounts necessary to fulfill the requirements of  
9 section 15-2041 for the following three fiscal years. The board shall  
10 provide copies of the report to the president of the senate, the speaker  
11 of the house of representatives and the governor.

12           11. Adopt minimum school facility adequacy guidelines to provide  
13 the minimum quality and quantity of school buildings and the facilities  
14 and equipment necessary and appropriate to enable pupils to achieve the  
15 educational goals of the Arizona state schools for the deaf and the blind.  
16 The school facilities board shall establish minimum school facility  
17 adequacy guidelines applicable to the Arizona state schools for the deaf  
18 and the blind.

19           12. In each even-numbered year, report electronically to the joint  
20 committee on capital review the amounts necessary to fulfill the  
21 requirements of section 15-2041 for the Arizona state schools for the deaf  
22 and the blind for the following two fiscal years. The Arizona state  
23 schools for the deaf and the blind shall incorporate the findings of the  
24 report in any request for new school facilities monies. Any monies  
25 provided to the Arizona state schools for the deaf and the blind for new  
26 school facilities are subject to legislative appropriation.

27           13. On or before June 15 of each year, submit electronically  
28 detailed information regarding demographic assumptions, a proposed  
29 construction schedule and new school construction cost estimates for  
30 individual projects approved in the current fiscal year and expected  
31 project approvals for the upcoming fiscal year to the joint committee on  
32 capital review for its review. A copy of the report shall also be  
33 submitted electronically to the governor's office of strategic planning  
34 and budgeting. The joint legislative budget committee staff, the  
35 governor's office of strategic planning and budgeting staff and the school  
36 facilities board staff shall agree on the format of the report.

37           14. Every two years, provide school districts with information on  
38 improving and maintaining the indoor environmental quality in school  
39 buildings.

40           15. On or before December 31 of each year, report to the joint  
41 legislative budget committee on all class B bond approvals by school  
42 districts in that year. Each school district shall report to the school  
43 facilities board on or before December 1 of each year information required  
44 by the school facilities board for the report prescribed in this  
45 paragraph.

1           16. Validate proposed adjacent ways projects submitted by school  
2 districts as prescribed in section 15-995.

3           B. The school facilities board may contract for the following  
4 services in compliance with the procurement practices prescribed in title  
5 41, chapter 23:

6           1. Private services.

7           2. Construction project management services.

8           3. Assessments for school buildings to determine if the buildings  
9 have outlived their useful life pursuant to section 15-2041, subsection G.

10          4. Services related to land acquisition and development of a school  
11 site.

12          C. The governor shall appoint an executive director of the school  
13 facilities board pursuant to section 38-211. The executive director is  
14 eligible to receive compensation as determined pursuant to section 38-611  
15 and may hire and fire necessary staff subject to title 41, chapter 4,  
16 article 4 and as approved by the legislature in the budget. The executive  
17 director shall have demonstrated competency in school finance, facilities  
18 design or facilities management, either in private business or government  
19 service. The executive director serves at the pleasure of the governor.  
20 The staff of the school facilities board is exempt from title 41, chapter  
21 4, articles 5 and 6. The executive director:

22          1. Shall analyze applications for monies submitted to the board by  
23 school districts.

24          2. Shall assist the board in developing forms and procedures for  
25 the distribution and review of applications and the distribution of monies  
26 to school districts.

27          3. May review or audit, or both, the expenditure of monies by a  
28 school district for deficiencies corrections and new school facilities.

29          4. Shall assist the board in the preparation of the board's annual  
30 report.

31          5. Shall research and provide reports on issues of general interest  
32 to the board.

33          6. May aid school districts in the development of reasonable and  
34 cost-effective school designs in order to avoid statewide duplicated  
35 efforts and unwarranted expenditures in the area of school design.

36          7. May assist school districts in facilitating the development of  
37 multijurisdictional facilities.

38          8. Shall assist the board in any other appropriate matter or method  
39 as directed by the members of the board.

40          9. Shall establish procedures to ensure compliance with the notice  
41 and hearing requirements prescribed in section 15-905. The notice and  
42 hearing procedures adopted by the board shall include the requirement,  
43 with respect to the board's consideration of any application filed after  
44 July 1, 2001 or after December 31 of the year in which the property  
45 becomes territory in the vicinity of a military airport or ancillary

1 military facility as defined in section 28-8461 for monies to fund the  
2 construction of new school facilities proposed to be located in territory  
3 in the vicinity of a military airport or ancillary military facility, that  
4 the military airport receive notification of the application by first  
5 class mail at least thirty days before any hearing concerning the  
6 application.

7 10. May expedite any request for monies in which the local match  
8 was not obtained for a project that received preliminary approval by the  
9 state board for school capital facilities.

10 11. Shall expedite any request for monies in which the school  
11 district governing board submits an application that shows an immediate  
12 need for a new school facility.

13 12. Shall make a determination as to administrative completion  
14 within one month after the receipt of an application by a school district  
15 for monies from the new school facilities fund.

16 13. Shall provide technical support to school districts as  
17 requested by school districts in connection with the construction of new  
18 school facilities and the maintenance of existing school facilities and  
19 may contract directly with construction project managers pursuant to  
20 subsection B of this section. This paragraph does not restrict a school  
21 district from contracting with a construction project manager using  
22 district or state resources.

23 D. When appropriate, the school facilities board shall review and  
24 use the statewide school facilities inventory and needs assessment  
25 conducted by the joint committee on capital review and issued in July,  
26 1995.

27 E. The school facilities board shall contract with one or more  
28 private building inspectors to complete an initial assessment of school  
29 facilities and equipment and shall inspect each school building in this  
30 state at least once every five years to ensure compliance with section  
31 15-2011. A copy of the inspection report, together with any  
32 recommendations for building maintenance, shall be provided to the school  
33 facilities board and the governing board of the school district.

34 F. The school facilities board may consider appropriate  
35 combinations of facilities or uses in making assessments of and curing  
36 deficiencies pursuant to subsection A, paragraph 1 of this section and in  
37 certifying plans for new school facilities pursuant to subsection A,  
38 paragraph 5 of this section.

39 G. The board shall not award any monies to fund new facilities that  
40 are financed by class A bonds that are issued by the school district.

41 H. The board shall not distribute monies to a school district for  
42 replacement or repair of facilities if the costs associated with the  
43 replacement or repair are covered by insurance or a performance or payment  
44 bond.



1 I. The board may contract for construction services and materials  
2 that are necessary to correct existing deficiencies in school district  
3 facilities. The board may procure the construction services necessary  
4 pursuant to this subsection by any method, including  
5 construction-manager-at-risk, design-build, design-bid-build or  
6 job-order-contracting as provided by title 41, chapter 23. The  
7 construction planning and services performed pursuant to this subsection  
8 are exempt from section 41-791.01.

9 J. The school facilities board may enter into agreements with  
10 school districts to allow school facilities board staff and contractors  
11 access to school property for the purposes of performing the construction  
12 services necessary pursuant to subsection I of this section.

13 K. Each school district shall develop routine preventive  
14 maintenance guidelines for its facilities. The guidelines shall include  
15 plumbing systems, electrical systems, heating, ventilation and air  
16 conditioning systems, special equipment and other systems and for roofing  
17 systems shall recommend visual inspections performed by district staff for  
18 signs of structural stress and weakness. The guidelines shall be  
19 submitted to the school facilities board for review and approval. If on  
20 inspection by the school facilities board it is determined that a school  
21 district facility was inadequately maintained pursuant to the school  
22 district's routine preventive maintenance guidelines, the school district  
23 shall return the building to compliance with the school district's routine  
24 preventive maintenance guidelines.

25 L. The school facilities board may temporarily transfer monies  
26 between the capital reserve fund established by section 15-2003, the  
27 emergency deficiencies correction fund established by section 15-2022 and  
28 the new school facilities fund established by section 15-2041 if all of  
29 the following conditions are met:

30 1. The transfer is necessary to avoid a temporary shortfall in the  
31 fund into which the monies are transferred.

32 2. The transferred monies are restored to the fund where the monies  
33 originated as soon as practicable after the temporary shortfall in the  
34 other fund has been addressed.

35 3. The school facilities board reports to the joint committee on  
36 capital review the amount of and the reason for any monies transferred.

37 M. After notifying each school district, and if a written objection  
38 from the school district is not received by the school facilities board  
39 within thirty days of the notification, the school facilities board may  
40 access public utility company records of power, water, natural gas,  
41 telephone and broadband usage to assemble consistent and accurate data on  
42 utility consumption at school facilities to determine the effectiveness of  
43 facility design, operation and maintenance measures intended to reduce  
44 energy and water consumption and costs. Any public utility that provides

1 service to a school district in this state shall provide the data  
2 requested by the school facilities board pursuant to this subsection.

3 N. The school facilities board shall not require a common school  
4 district that provides instruction to pupils in grade nine to obtain  
5 approval from the school facilities board to reconfigure its school  
6 facilities. A common school district that provides instruction to pupils  
7 in grade nine is not entitled to additional monies from the school  
8 facilities board for facilities to educate pupils in grade nine.

9 O. A school district may appeal the denial of a request for monies  
10 pursuant to this chapter or any other appealable agency action by the  
11 school facilities board pursuant to title 41, chapter 6, article 10. For  
12 the purposes of this subsection, "appealable agency action" has the same  
13 meaning prescribed in section 41-1092.

14 Sec. 6. Section 35-454, Arizona Revised Statutes, is amended to  
15 read:

16 35-454. Informational pamphlet for election; review; ballot;  
17 election; return; canvass of vote; certificate of  
18 election

19 A. The governing body or board of the political subdivision shall:

20 1. Not less than thirty-five days before the bond election, mail a  
21 copy of an informational pamphlet to every household within the political  
22 subdivision that contains a registered voter. The pamphlet shall contain  
23 information on the:

24 (a) Amount of the bond authorization.

25 (b) Maximum interest rate of the bonds.

26 (c) Estimated debt retirement schedule for the current amount of  
27 bonds outstanding, showing both principal and interest payments, the  
28 current net assessed valuation as reported by the department of revenue  
29 and the current adopted and estimated tax rates. For the purposes of this  
30 paragraph, "net assessed valuation" may include the values used to  
31 determine voluntary contributions collected pursuant to title 9, chapter  
32 4, article 3 and title 48, chapter 1, article 8.

33 (d) Estimated debt retirement schedule for the proposed bond  
34 authorization, showing both the estimated principal and interest payments  
35 and the estimated average annual tax rate for the proposed bond  
36 authorization. In preparing this information and the information  
37 prescribed by subdivision (c) of this paragraph, the projected total  
38 annual increase in net assessed valuation for any future year shall not  
39 exceed:

40 (i) For the first five years of the estimated debt retirement  
41 schedule, the average of the annual percentage growth for the previous ten  
42 years in the net assessed valuation of the political subdivision.

1 (ii) For the remaining years of the estimated debt retirement  
2 schedule, twenty percent of the average of the annual percentage growth  
3 for the previous ten years in the net assessed valuation of the political  
4 subdivision.

5 (e) Source of repayment.

6 (f) Estimated issuance costs.

7 (g) Estimated tax impact of debt service for the bonds on an  
8 owner-occupied residence classified as class three pursuant to section  
9 42-12003, on commercial property classified as class one pursuant to  
10 section 42-12001, paragraph 12 and on agricultural or other vacant  
11 property classified as class two pursuant to section 42-12002, assuming  
12 the net assessed valuation of the property increases annually at the  
13 lesser of five percent or fifty percent of the projected total annual  
14 increase in net assessed valuation as determined pursuant to subdivision  
15 (d) of this paragraph over the term of the bonds using the same average  
16 annual tax rate as under subdivision (d) of this paragraph, as follows:

17 The tax impact over the term of the bonds on an  
18 owner-occupied residence valued by the county assessor at  
19 \$250,000 is estimated to be \$\_\_\_ per year for \_\_ years, or  
20 \$\_\_\_ total cost.

21 The tax impact over the term of the bonds on commercial  
22 property valued by the county assessor at \$1,000,000 is  
23 estimated to be \$\_\_\_ per year for \_\_ years, or \$\_\_\_\_\_ total  
24 cost.

25 The tax impact over the term of the bonds on  
26 agricultural or other vacant property valued by the county  
27 assessor at \$100,000 is estimated to be \$\_\_\_ per year for \_\_  
28 years, or \$\_\_\_\_\_ total cost.

29 (h) In bold-faced type, estimated total cost of the proposed bond  
30 authorization, including principal and interest.

31 (i) Current outstanding general obligation debt and constitutional  
32 debt limitation.

33 (j) Projects and expenditures for which the bonds are to be issued.  
34 The purpose statement shall only present factual information in a neutral  
35 manner. Advocacy for the expenditures is strictly limited to the  
36 arguments submitted pursuant to subdivision (n) of this paragraph.

37 (k) IF THE ELECTION IS HELD BY A SCHOOL DISTRICT TO PURCHASE A  
38 BUILDING OR BUILDING SITE PURSUANT TO SECTION 15-491, A STATEMENT ON THE  
39 NUMBER OF VACANT BUILDINGS IN THE SCHOOL DISTRICT AND THE NUMBER OF  
40 BUILDINGS AT LESS THAN FORTY PERCENT CAPACITY ACCORDING TO THE STANDARDS  
41 PRESCRIBED BY THE SCHOOL FACILITIES BOARD.

42 ~~(k)~~ (l) Purpose for which the bonds are to be issued and, if  
43 applicable, in bold-faced type, that the amount of the proposed bond  
44 authorization combined with the current outstanding debt exceeds the  
45 political subdivision's constitutional debt limit.

- 1           ~~(j)~~ (m) Polling location for the addressee.
- 2           ~~(k)~~ (n) Hours during the day when the polls will be open.
- 3           ~~(l)~~ (o) Arguments for and against the authorization of one or more
- 4 of the bond propositions.

5           2. Set a deadline to submit arguments for and against the  
6 authorization of one or more of the bond propositions at a public meeting  
7 and publish the deadline in a newspaper of general circulation in the  
8 jurisdiction of the political subdivision.

9           3. Submit a copy of the informational pamphlet to the department of  
10 revenue within thirty days after the bond election. The department of  
11 revenue shall maintain copies of the pamphlets.

12           B. The failure of any one or more electors to receive the  
13 informational pamphlet shall not be grounds to invalidate the  
14 election. The election shall conform with the general election laws of  
15 the state. The return of the election held in a county shall be made to  
16 the board of supervisors and, in any other case, to the governing body or  
17 board of the municipal corporation or district within twelve days after  
18 the election.

19           C. For any proposed general obligation bond authorization where the  
20 principal and interest will be paid by a levy of property taxes, the  
21 ballot shall contain the phrase "the issuance of these bonds will result  
22 in a property tax increase sufficient to pay the annual debt service on  
23 bonds". Any written information provided by the political subdivision  
24 pertaining to the bond election shall include financial information  
25 showing the estimated average tax rate for the proposed bond  
26 authorization. If the bonds are to be repaid with secondary property  
27 taxes, the ballot shall contain the words "bond approval, yes" and "bond  
28 approval, no", and the voter shall signify the voter's desired choice.  
29 The ballot shall also contain the following statement:

30           A "yes" vote shall authorize the \_\_\_\_\_ governing body  
31 to issue and sell \$\_\_\_\_\_ of \_\_\_\_\_ bonds of the district to  
32 be repaid with secondary property taxes.

33           A "no" vote shall not authorize the \_\_\_\_\_ governing  
34 body to issue and sell such bonds of the district.

35           D. If the governing body intends to use revenues other than  
36 property taxes to pay the debt on proposed general obligation bonds, the  
37 ballot shall contain the phrase "the issuance of these bonds will result  
38 in a property tax increase sufficient to pay the annual debt service on  
39 bonds, unless the governing body provides for payment from other sources".

40           E. The board of supervisors, governing body or governing board  
41 shall hold a special meeting within twenty days after the election to  
42 canvass the votes cast and certify the result. The certificate of the  
43 result shall be prima facie evidence of full performance of all conditions  
44 and requirements precedent to holding the election.

1           F. The governing board or body shall file and record in the office  
2 of the county recorder a certificate disclosing the purpose of the  
3 election, the total number of votes cast and the total number of votes for  
4 and against creating the indebtedness, and stating whether or not the  
5 indebtedness is ordered. Upon filing and recording the certificate, the  
6 governing board or body shall carry out the purpose of the election.  
7           G. Variations between the estimates required by subsection A of  
8 this section and the actual debt retirement schedules, issuance costs,  
9 annual and total costs and tax rates shall not invalidate either the  
10 election or the bonds.